Commission on Sale of Certificates

†1982. SHRI MOTILAL VORA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there was an understanding between his Ministry and the Department of Posts to increase 10 per cent commission on the basis of sale of certificates and each account and the same has been lowered to 2.36 per cent by his Ministry unilaterally;

(b) if so, the reasons therefor; and

(c) the reasons for not holding prior discussion with Department of Posts before the annual increase was brought down to 2.36 per cent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The ten per cent increase in the rates per account/per certificate, of agency charges payable to the Department of Posts was adopted in 1994-95 when the rate of inflation based on the wholesale price index was 12.6 per cent.

At present, suitable increase is allowed taking into account various factors including the rate of inflation, every year. Further, the gap between revenue receipts and non-plan revenue expenditure of the Department of Posts is being met out of the general revenues.

Increase in Non-tax Revenue

1983. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have announced a series of measures to beef up their non-tax revenues and curtail non-plan expenditure in a big way;

(b) if so, the details in this regard;

(c) whether Government have also taken steps to tap fresh sources of revenue;

(d) if so, the details thereof; and

(e) the amount likely to be mobilized in this way?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

†Original notice of the question was received in Hindi.

(b) to (d) Orders in this regard were issued *vide* Office Memorandum No. 7(5)/E-Coord/2004 dated 24.9 2004 These orders prescribed guidelines on expenditure management-fiscal prudence and austerity which, *inter-alia,* include measures like all profits making PSEs to declare a minimum divided of 20% on equity or post tax profits; graded reduction of 5% per annum in the deficit grants given to autonomous bodies; prohibiting any deviations of expenditrue from the prescribed budgetary ceilings; a mandatory 10% cut in the budgetary allocations for non-plan non-salary expenditure as well as the expenditure on petrol/oil/lubricants and travel; ban on purchase of new vehicles; revision of non-tax receipts so as to ensure recovery of the cost of services, etc.

(e) Amount exceeding Rs. 2000 crores is expected to be mobilized by these measures.

Fiscal Deficit

†1984. SHRI ABU ASIM AZMI: Will the Minister of FINANCE be pleased to state:

(a) the details of percentage increase of fiscal deficit registered during the first half of the year 2004-05, alonwith the amount of total financial loss in thousand crore rupees during the first quarter of the financial year;

(b) the main reasons for increase in the said fiscal deficit;

(c) the measures being taken by Government to make up the same; and

(d) the details of comparative increase in the fiscal deficit of the whole year against the same registered during the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) the Fiscal Deficit during the first quarter of the Financial Year was Rs. 41,681 crore and that in the first half of the current financial year was Rs. 53,235 crore, showing 27.7% increase over the fiscal deficit in the first quarter.

(b) and (c) Main reason for the increase in the fiscal deficit has been relatively slower growth in tax revenue collection compared to expenditure requirements of the Government. Detailed appraisal of various factors contributing to the increase in the fiscal deficit and the remedial measures

†Original notice of the question was received in Hindi